

AN ORDINANCE 2006-05-11-0570

ACKNOWLEDGING RECEIPT ON MAY 10, 2006 OF THE SAN ANTONIO WATER SYSTEM'S UPDATES OF THE WATER, WATER SUPPLY, AND WASTEWATER LAND USE ASSUMPTIONS PLAN (LUAP), THE CAPITAL IMPROVEMENTS PLAN (CIP) AND THE MAXIMUM IMPACT FEE CALCULATIONS; AND ADOPTING A NOTICE OF PUBLIC HEARING ON THE UPDATES TO THE LUAP, CIP AND MAXIMUM IMPACT FEE CALCULATIONS TO BE HELD ON JUNE 15, 2006 AT 9:00 A.M. IN THE CITY COUNCIL CHAMBERS, LOCATED AT MUNICIPAL PLAZA BUILDING, 103 S. MAIN AVENUE, IN ACCORDANCE WITH THE NOTICE PROCEDURE SPECIFIED IN CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE

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WHEREAS, Chapter 395 of the Texas Local Government Code establishes the requirements and the process that must be followed if a municipality is to assess and collect impact fees; and

WHEREAS, the Texas Legislature has defined "impact fees" as a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development; and

WHEREAS, Chapter 395 requires that the City's land use assumptions and capital improvements plan be updated every five (5) years, and the current capital improvements plan for water delivery and wastewater were approved by the City Council in 2001; and

WHEREAS, pursuant to Chapter 395, a Capital Improvements Advisory Committee (CIAC) was created to advise City Council on the development and implementation of impact fees; and

WHEREAS, with the assistance of PBS&J, in association with Rimrock Consulting Company, as a professional consultant (PBS&J), the San Antonio Water System (SAWS) developed the 2006-2015 updates to the Land Use Assumption Plan (LUAP) and Water, Water Supply and Wastewater Capital Improvements Plan (CIP) related to five (5) major impact fee categories: (i) water supply, (ii) water flow, (iii) water development, (iv) wastewater collection, and (v) wastewater treatment; and

WHEREAS, professional staff from PBS&J and SAWS calculated a maximum impact fee amount per service unit in compliance with Chapter 395, including, a credit for the

portion of utility service revenues generated by new service units that is used for the payment of improvements, including the payment of debt, that are included in the CIP; and

WHEREAS, the LUAP and CIP must be updated to include the consolidation of certain service areas and project the capital improvements that will be necessary to serve new development for the next ten (10) years, however, the updated plans include the same major impact fee categories as the original plans; and

WHEREAS, the CIAC has met on a weekly basis for several months and worked closely with the SAWS professional staff in order to develop its recommendations to the City, which recommendations are due in final written form to the City on or before June 7, 2006; and

WHEREAS, on May 2, 2006, the SAWS Board of Trustees approved the updated 2006-2015 LUAP, CIP, and maximum impact fee calculations for all five (5) major impact fee categories and recommended forwarding the plans and fee calculations to City Council in order to proceed with notice of public hearing and consideration for approval in accordance with Chapter 395; and

WHEREAS, the LUAP for 2006-2015 projects 102,821 new equivalent dwelling units (EDUs) related to water service and 115,995 new EDUs related to wastewater service, while the pro-rata cost of existing and future capital improvements projects to serve new development from 2006-2015 is estimated to be \$504,000,000; and

WHEREAS, as part of the 2006-2015 LUAP, CIP and maximum impact fee calculations, the SAWS Board recommends the establishment of upper and lower wastewater collection service areas, each assessed a different wastewater collection impact fee based on the actual costs of serving each area, including, the costs to serve the Edwards Aquifer Recharge Zone (EARZ) and the Contributing Zone (CZ), which are part of an environmentally sensitive area, and furthers the public's interest in protecting the quality and quantity of water in the Edwards Aquifer; and

WHEREAS, Chapter 395 requires that City Council must, within 60 days after the date it receives the updated LUAP and CIP, adopt an order setting a public hearing in which to discuss and review the updates and determine whether to approve the amended LUAP and CIP; and

WHEREAS, pursuant to Chapter 395, within 30 days following the public hearing on the updated LUAP and CIP, the City Council must approve or disapprove the amendments to the LUAP and CIP, and the modification of the impact fee; and

WHEREAS, copies of the updated LUAP, CIP and impact fee calculations have been made available at the City Clerk's Office and at SAWS' website at www.saws.org; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The updated 2006-2015 LUAP, CIP and maximum impact fee calculations prepared by SAWS for five (5) major impact fee categories; including water supply, water flow, water development, wastewater collection and wastewater treatment; were delivered to the City Clerk on Wednesday, May 10, 2006 and are hereby received. A copy of the report including the updated LUAP, CIP and maximum impact fee calculations is attached hereto and incorporated herein for all purposes as Exhibit A.

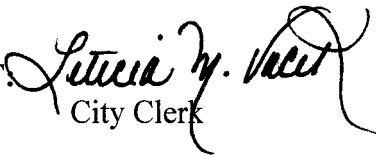
SECTION 2. In accordance with the requirements of Texas Local Government Code §§395.044 (a) and (b), and 395.055 (a) and (b), it is hereby ordered that a public hearing shall be held to consider the amendments to the LUAP, CIP and maximum impact fee calculations on June 15, 2006, at 9:00 a.m. in the City Council Chambers on the first floor of the Municipal Plaza Building located at 103 S. Main Avenue, San Antonio, Texas 78207. The notice shall be published in the San Antonio Express News on or before Monday, May 15, 2006, and shall contain the following:

- (1) a headline to read "NOTICE OF PUBLIC HEARING ON AMENDMENT OF IMPACT FEES;"
- (2) the time, date, and location of the hearing;
- (3) a statement that the purpose of the hearing is to consider the amendment of land use assumptions and a capital improvements plan and the imposition of an impact fee for the years 2006-2015; and
- (4) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the update.

SECTION 3. This Ordinance becomes effective immediately upon passage by at least eight (8) affirmative votes; otherwise, it will become effective ten (10) days from the date of passage.

PASSED AND APPROVED, this 11th day of May, 2006.

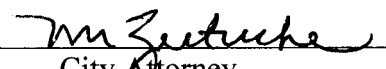
ATTEST:


City Clerk


M A Y O R

PHIL HARDBERGER

APPROVED AS TO FORM:


for City Attorney

Agenda Voting Results

Name: 4.

Date: 05/11/06

Time: 09:44:42 AM

Vote Type: Multiple selection

Description: An Ordinance acknowledging receipt on May 10, 2006 of the San Antonio Water System's updates to the Water, Water Supply, and Wastewater Land Use Assumptions Plan (LUAP), the Capital Improvements Plan (CIP) and the Maximum Impact Fee calculations; and adopting a notice of public hearing on the updates to the LUAP, CIP and Maximum Impact Fee calculations to be held on June 15, 2006 at 9:00 a.m. in the City Council Chambers, located at Municipal Plaza Building, 103 S. Main Avenue, in accordance with the notice procedure specified in Chapter 395 of the Texas Local Government Code. [Presented by Ben Gorzell, Acting Director, Finance; Sheryl Sculley, City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present	x		
SHEILA D. MCNEIL	DISTRICT 2				
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

Agenda item #4

**CITY OF SAN ANTONIO
FINANCE DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

FROM: Ben Gorzell Jr., CPA, Acting Director of Finance

SUBJECT: Ordinance to Acknowledge Receipt of Updates to the Land Use Assumptions Plan, Capital Improvements Plan and Water, Water Supply and Wastewater Impact Fees for 2006 – 2015 and Establishes a Date of a Public Hearing to Consider the Updates

DATE: May 11, 2006

SUMMARY AND RECOMMENDATION

This Ordinance acknowledges receipt on May 10, 2006 of the San Antonio Water System's (SAWS') 2006-2015 updates to the Water, Water Supply and Wastewater Land Use Assumptions Plan (LUAP), the Capital Improvements Plan (CIP) and the Maximum Impact Fee calculations and adopts a notice of public hearing on the updates to the LUAP, CIP and Maximum Impact Fee calculations to be held on June 15, 2006.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Chapter 395 of the Texas Local Government Code (Chapter 395) establishes the requirements and the process that must be followed if a municipality is to assess and collect impact fees. Chapter 395 requires that a local government must:

- Establish a Capital Improvements Advisory Committee (CIAC) to advise City Council on the development and implementation of impact fees;
- Develop a Land Use Assumptions Plan (LUAP) that forecasts demand within the service area for a ten-year planning period;
- Analyze existing capacity of water and wastewater systems; and
- Prepare a capital improvements plan (CIP) that determines the infrastructure necessary to serve the projected demand.

An impact fee is a one-time charge imposed on new development to help recover capital costs associated with providing the infrastructure and other required improvements to provide service to that new development. Impact fees are important as these fees minimize the ratepayers' participation in funding SAWS' capital costs associated with providing service to new development. As such, impact fees establish a mechanism to have new development pay its equitable portion of required capital costs to include infrastructure and facilities.

SAWS currently assesses three categories of impact fees: water flow and development (wells, pumps, tanks and pipelines); water supply (new water supply source capital requirements); and, wastewater collection and treatment (mains and plants).

In addition, Chapter 395 requires that the LUAP and CIP be updated at least every five years. On September 22, 2005, City Council approved an updated LUAP, CIP and interim impact fee for water supply. The LUAP, CIP and impact fees for water and wastewater were last updated in 2001. SAWS began the update process with the hiring of the consulting firm of PBS&J in July of 2005 to conduct a Comprehensive Cost of Service and Rate Study. SAWS staff, PBS&J and the City Council appointed CIAC have been working to update the LUAP and CIP in order to establish new comprehensive impact fees.

The CIAC has made numerous findings and recommendations on the total CIP, LUAP and Maximum Impact Fee calculations, but will reconvene on Friday, May 5, 2006, to further deliberate and consider the Water Supply Impact Fee and its final recommendations on the amount of the impact fees. The SAWS' Board of Trustees conducted a special meeting on April 27, 2006 solely for the purpose of deliberating the total CIP, LUAP and Maximum Impact Fee calculations. On May 2, 2006, the SAWS' Board of Trustees approved a Resolution forwarding its recommendations on the updates to the impact fees to the City for consideration. The proposed ordinance will formally acknowledge receipt of update to the LUAP, CIP, and maximum impact fee calculations. Additionally, the proposed ordinance establishes a date for a public hearing on June 15th. The CIAC's final written comments will be due on or before June 7, 2006.

FISCAL IMPACT

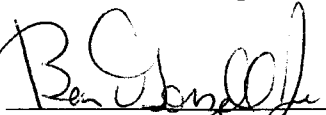
The proposed ordinance establishes a date for a public hearing and acknowledges receipt of the updates, as such, there is no financial impact.

COORDINATION

The development of the LUAP, CIP, and the maximum calculated water, wastewater and water supply impact fees (distributed to City Council on May 10, 2006) were coordinated with the City Council appointed CIAC, SAWS staff and the City Attorney's Office. The SAWS' Board of Trustees approved the LUAP, CIP, and proposed impact fees on May 2, 2006.

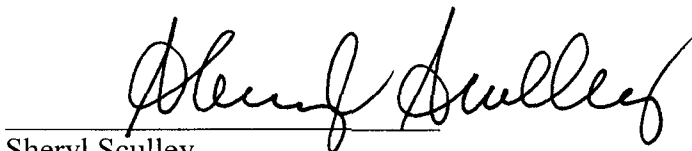
SUPPLEMENTAL COMMENTS

The disclosure requirements of the City's Ethics Ordinance are not applicable.

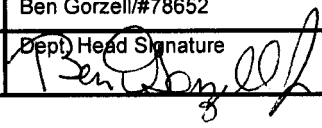


Ben Gorzell Jr., CPA
Acting Director of Finance

Approved for Council Consideration:



Sheryl Sculley
City Manager

DO NOT TYPE IN THIS SPACE		CITY OF SAN ANTONIO		Consent <input type="checkbox"/> Individual <input type="checkbox"/> Item No. 4 Ord. No.	
Approval		Request For Ordinance/Resolution			
Finance	Budget				
Legal	Coordinator				
Date: May 4, 2006		Department: Finance		Contact Person/Phone #: Ben Gorzell/#78652	
Date Council Consideration Requested: May 11, 2006		Deadline for Action: N/A		Dept. Head Signature 	
SUMMARY OF ORDINANCE <p>An Ordinance acknowledging receipt on May 10, 2006 of the San Antonio Water System's (SAWS') updates to the Water, Water Supply, and Wastewater Land Use Assumptions Plan (LUAP), the Capital Improvements Plan (CIP) and the Maximum Impact Fee calculations and adopting a notice of public hearing on the updates to the LUAP, CIP and Maximum Impact Fee calculations to be held on June 15, 2006 at 9:00 a.m. in the City Council Chambers, located at Municipal Plaza Building, 103 S. Main Avenue, in accordance with the notice procedure specified in Chapter 395 of the Texas Local Government Code.</p> <p style="text-align: center;">Council Memorandum Must be Attached To Original</p>					
<p>Other Depts., Boards, Committees Involved (please specify): The development of the LUAP, CIP, and the maximum calculated water, wastewater and water supply impact fees (distributed to City Council on May 10, 2006) were coordinated with the City Council appointed Capital Improvements Advisory Committee, SAWS staff and the City Attorney's Office. The SAWS' Board of Trustees approved the LUAP, CIP, and proposed impact fees on May 2, 2006.</p>					
Contract signed by other party Yes <input type="checkbox"/> No <input type="checkbox"/>					
FISCAL DATA (If Applicable)					
Amount Expended N/A				Funds/Staffing Budgeted Yes <input type="checkbox"/> No <input type="checkbox"/> Positions Currently Authorized Yes <input type="checkbox"/> No <input type="checkbox"/> Impact on future O & M N/A If positions added, specify Class and Job No.	
Fund N/A SAP GL Account N/A					
*Cost Center N/A					
*Internal Order No. N/A *WBS (Capital Proj.) N/A <i>*(Fill out only the field that is appropriate to your council action.)</i>					
Comments: 				Please submit 3 copies with your original	